

Message Text

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ACTION EA-14

INFO OCT-01 ADP-00 CIAE-00 DODE-00 PM-09 H-02 INR-09 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-14 USIA-12 T-03

GAC-01 OMB-01 EB-11 AID-20 IGA-02 RSR-01 /118 W

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R 131035 Z MAR 73

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC 8571

C O N F I D E N T I A L SAIGON 4072

E. O. 11652 GDS

TAGS: EGEN, ELAB, VN

SUBJECT: NORTH VIETNAMESE DIRECTIVE ON DRV ECONOMY

SUMMARY: THE RECENT DIRECTIVE FROM THE DRV PREMIER'S OFFICE EMPHASIZED RESTORATION OF REPARABLE ECONOMIC INSTALLATIONS AND INFRASTRUCTURE, CALLING FOR A RESUMPTION OF PRODUCTION AT OR ABOVE WAR- TIME LEVELS. IT GIVES LOCAL MANAGMENT MORE DISCRETION IN ALLOCATING CAPTIAL AND MAKES HIGH- LEVEL CADRE DIRECTLY RESPONSIBLE FOR THE ACHIEVEMENT OF PRODUCTION GOALS. END SUMMARY.

1. HANOI RADIO BROADCAST ON MARCH 11 EXCERPTS FROM A DIRECTIVE "RECENTLY" ISSUED BY THE DRV PREMIER'S OFFICE. WHILE THE DIRECTIVE STRESSED THE NEED TO RESTORE AND, SIMULTANEOUSLY, TO DEVELOP THE NORTHERN ECONOMY, THE PASSAGES EXCERPTED FOCUS ENTIRELY ON BRINGING PRODUCTION UP TO OR ABOVE "WAR TIME" LEVELS, APPARENTLY MEANING THOSE LEVELS OBTAINED BEFORE THE DECEMBER US BOMBING CAMPAIGN.

2. THE DIRECTIVE CALLED UPON ECONOMIC ENTERPRISES TO MOBILIZE AVAILABLE MANPOWER TO THE UTMOST. WORKERS LAID OFF WHEN WAR CONDITIONS CAUSED SHUTDOWNS ARE TO BE CALLED BACK IMMEDIATELY. WHITE- COLLAR EMPLOYEES ARE TO WORK OVERTIME AND TO BE PAID "GOOD SUBSIDIES" FOR MANUAL LABOR SUCH AS CLEARING AWAY DEBRIS AND BUIDLING TEMPORARY HOUSING.

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3. ACCORDING TO THE DIRECTIVE, HIGH- LEVEL CADRES ARE TO TAKE A MORE ACTIVE ROLE THAN BE FORE IN THE OPERATION OF ECONOMIC ENTERPRISES. PERSONNEL FROM THE MINISTRIES, GENERAL DEPARTMENTS, AND PROVINCIAL ADMINISTRATIONS " MUST ASSUME RESPONSIBILITY FOR THE RESTORATION OF PRODUCTION AND LIVELIHOOD" AT ONE OR MORE " KEY ENTERPRISES." THESE OFFICIALS " MUST BE PRESENT" AT THE PRODUCTION SITE TO " SOLVE PROBLEMS" AND TO " MOTIVATE, CONTROL, OR HELP" LOCAL MANAGEMENT. PRESUMABLY THEY WILL ALSO HELP TO ELIMINATE " BUREAUCRATIC METHODS AND RED TAPE," ANOTHER TASK SPECIFIED BY THE DIRECTIVE.

4. FOR THEIR PART, ENTERPRISE DIRECTORS WILL HAVE MORE AUTHORITY TO MAKE CAPITAL EXPENDITURES FROM FUNDS ALLOCATED TO THEIR CONCERNS. THEY ARE ALSO URGED TO REORGANIZE THEIR ENTERPRISES AND TO MAKE STAFF CHANGES WHERE THESE WOULD BOOST PRODUCTION.

5. THE DIRECTIVE DEMANDS AND END TO " WASTE AND CORRUPTION" IN MANAGEMENT OF THE ECONOMY. ITS EMPHASIS ON " RESTORING DISCIPLINE" SUGGESTS THAT THE DISLOCATIVE EFFECTS OF AMERICAN BOMBING INTERRUPTED THE STRICT CONTROL MEASURES UNDER WHICH DRV ECONOMIC INSTALLATIONS NORMALLY OPERATED AND AFFORDED LESS HONEST OFFICIALS AND WORKERS THE OPPORTUNITY TO CHEAT THE SYSTEM.

6. COMMENT: WHILE EXHORTATIONS TO WORK HARD AND HONESTLY ARE TOUTINE COMMODITIES IN HANOI PROPAGANDA, THIS HIGH-LEVEL TREATMENT OF BASIC WEAKNESSES IN THE NORTH VIETNAMESE ECONOMY IS SOMEWHAT A RARITY. EMPHASIS ON RESTORING TRANSPORTATION, COMMUNICATION AND DISTRIBUTION NETWORKS INDICATES THAT HANOI IS PREPARING ITS ECONOMIC INFRASTRUCTURE TO HANDLE THE UNPRECEDENTED INFLOW OF FOREIGN AID ANTICIPATED DURING THE NEXT FEW YEARS. THE DIRECTIVE' S UNMISTAKEABLE WARNING TO INEFFICIENT AND
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*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts:
Control Number: n/a
Copy: SINGLE
Draft Date: 13 MAR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973SAIGON04072
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GDS
Errors: n/a
Film Number: n/a
From: SAIGON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730325/aaaahmib.tel
Line Count: 97
Locator: TEXT ON-LINE
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags: ANOMALY
Review Date: 05 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05-Dec-2001 by martinml>; APPROVED <28-Dec-2001 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 971119
Subject: NORTH VIETNAMESE DIRECTIVE ON DRV ECONOMY
TAGS: EGEN, ELAB
To: EA
SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005